WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Atchison Ranch, LLC, a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation (NOV) Docket Number 4921-11, dated November 8, 2011**. The Notice of Violation (NOV) alleges that the operator failed to salvage and protect topsoil resulting in loss of the resource, failed to protect native topsoil and failed to post a pit identification sign at the entrance of the limited mining operation 1515ET.

The site of the alleged violations is located in Section 34, Township 13 North, Range 64 West. This is a violation of the Wyoming Environmental Quality Act and applicable Wyoming Department of Environmental Quality/Land Quality Noncoal Rules and Regulations (WDEQ/LQD NC R&R). W.S. §35-11-901(a)(ii) authorizes the WDEQ to negotiate a stipulated settlement, including corrective actions and a monetary payment of a penalty, in lieu of litigation. To that end, Atchison Ranch, LLC and the WDEQ/LQD hereby stipulate and agree as follows:

1. The WDEQ, pursuant to W.S. §35-11-404, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. The DEQ is the agency with the responsibility for administering the Wyoming Department Environmental Quality Act including all provisions of the WDEQ/LQD NC R&R.

2. Atchison Ranch, LLC is the authorized operator of a sand and gravel mining operation in Laramie County, Wyoming in Section 34, Township 13 North, Range 64 West. As part of its operation, Atchison Ranch, LLC mined mineral from this site and distributed or sold the mineral for commercial use.

3. During the inspection conducted on October 4, 2011, LQD staff observed active violations on the limited mining operation 1515ET site including failure to salvage and protect topsoil, failure to protect native topsoil, and failure to post a pit identification sign.

4. Failure to salvage and stockpile topsoil prior to mining is a violation of WDEQ/LQD NC R&R Chapter 10, Section 4(b).

5. Affecting areas where topsoil has not been salvaged is a violation of the Department of Environmental Quality, Land Quality Division Noncoal Rules and Regulations Chapter 3, Section 2(c)(i)(A).

6. Failure to identify the pit with a sign at the site entrance is a violation of WDEQ/LQD NC R&R Chapter 10, Section 4(a).

7. Atchison Ranch, LLC agrees to pay a total penalty of Three Thousand Dollars ($3,000.00) for the violations stated in Items 4, 5 & 6 above as partial settlement for the resolution of this matter in lieu of litigation under W.S. §35-11-901(a)(ii). One Thousand Dollars ($1,000.00) of the penalty shall be deferred if one-thousand (1,000) cubic yards of topsoil is imported as outlined in #8 below. Atchison Ranch, LLC shall submit the appropriate penalty directly to the WDEQ/LQD. Payment is due and payable within thirty (30) days of full execution of this Settlement Agreement. Payment to WDEQ/LQD shall be by check made payable to the Wyoming Department of Environmental Quality/Land Quality Division and shall be sent to Nancy Nuttbrock, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3rd Floor West, 122 West 25th Street, Cheyenne, Wyoming, 82002.

8. To correct and remedy the alleged violations, Atchison Ranch, LLC shall: 1) install a pit identification sign by December 31, 2011, 2) import one-thousand (1,000) cubic yards of topsoil to be utilized for site reclamation and stockpile on the northwest corner of the site by December 31, 2011, 3) identify salvaged topsoil piles with a sign by December 31, 2011, 4) salvage all topsoil adjacent to the pit disturbance by pulling the topsoil away from the highwall leaving a minimum ten (10) feet wide buffer strip between the highwall and native ground as soon as the ground is thawed, 5) salvage topsoil along the northeastern highwall where equipment has disturbed native topsoil as soon as the ground has thawed, and 6) provide appropriate erosion control measures in order to protect the site from water and wind erosion by December 31, 2011. Atchison Ranch, LLC shall notify the LQD when the remedies are complete and provide photographic documentation.

9. This signed Settlement Agreement and payment by Atchison Ranch, LLC as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against Atchison

Ranch, LLC based on the violations alleged in Notice of Violation Docket No. 4921-11. Contingent upon Atchison Ranch, LLC compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against Atchison Ranch, LLC for these particular violations cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket No. 4921-11.

10. Atchison Ranch, LLC waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in Notice of Violation Docket No. 4921-11.

11. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order and/or pursuing additional penalties, should Atchison Ranch, LLC violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.

12. This Settlement Agreement shall be admissible by either party without objection by other party in any subsequent action between these parties.

13. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and WDEQ do not waive sovereign immunity by entering into this Settlement Agreement with Atchison Ranch, LLC and specifically retain all immunity and all defenses available as sovereigns under State and Federal law.

14. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

15. This Settlement Agreement is binding upon Atchison Ranch, LLC, its successors and assigns, and upon the WDEQ.

16. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: Atchison Ranch, LLC

Signed: Patty Epler Date: Jan 6, 2012

Printed: PATTY EPLER

Title: OWNER

FOR: The Wyoming Department of Environmental Quality

John V. Corra, Director
WDEQ Date: 1/18/12

Nancy Nuttbrock, Administrator
WDEQ/LQD Date: 1/18/12

cc: Lowell Spackman, WDEQ/LQD, District I
NOV File Docket Number 4921-11
1515ET NOV Files